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UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Order 2003-5-35

Issued by the Department of Transportation
on the 30 day of May, 2003

Served: June 4, 2003

In re:

SUSPENSION OF OPERATIONS BETWEEN
THE UNITED STATES AND IRAQ

Docket OST-2003-15255

ORDER GRANTING EXEMPTION

By Order 90-8-16, served August 8, 1990, the Department imposed conditions on the authority held by U.S. and foreign air carriers that prohibited certain transactions relating to transportation to/from Iraq. The Department issued the Order to carry out Executive Order 12722, issued August 2, 1990, which had directed the imposition of certain economic sanctions against Iraq.

Pending further order of the Department, Order 90-8-16 prohibited U.S. and foreign air carriers from selling in the United States any transportation by air that included a stop in Iraq and prohibited them from engaging in foreign air transportation to or from the United States with any aircraft of Iraqi registry. The order also prohibited U.S. air carriers from engaging in any transaction relating to transportation to or from Iraq and prohibited foreign air carriers from engaging in such transactions in the United States.

On May 27, 2003, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) announced that it had issued a General License authorizing most transactions prohibited by subpart B of 31 CFR part 575. This subpart includes, *inter alia*, the aviation prohibitions set out in the Executive Order and which were the basis for Order 90-8-16.

We therefore have decided to grant a blanket exemption from the conditions imposed by Order 90-8-16 to the extent consistent with the OFAC General License, attached as

Appendix A.¹ This blanket exemption is also subject to all Department of Transportation, Federal Aviation Administration, Transportation Security Administration and other U.S. government requirements.

ACCORDINGLY,

1. We grant a blanket exemption from the certificate, permit and exemption conditions imposed by Order 90-8-16 to the extent consistent with the attached OFAC General License;
2. The authority granted by this order is subject to all Department of Transportation, Federal Aviation Administration, Transportation Security Administration and other U.S. government requirements;
3. This order shall be effective upon issuance; and
4. We will serve a copy of this order upon all U.S. and foreign air carriers holding certificates of public convenience and necessity, foreign air carrier permits, or exemption authority, the Federal Aviation Administration, the Transportation Security Administration and the United States Department of State.

By:

READ C. VAN DE WATER
Assistant Secretary for Aviation and International
Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at:
http://dms.dot.gov/reports/reports_aviation.asp*

¹ Before commencing service (including charter flights) to a new foreign point, all carriers are reminded to contact their principal security inspector to find out whether the Transportation Security Administration has determined that security is adequate to allow such point to be served.

IRAQI SANCTIONS REGULATIONS

GENERAL LICENSE

(Granted under the authority of Section 203 of the International Emergency Economic Powers Act (50 U.S.C. § 1702), Section 5 of the United Nations Participation Act (22 U.S.C. § 287c), Executive Order No. 12722 of August 2, 1990, Executive Order No. 12724 of August 9, 1990, and Parts 501 and 575 of Title 31 of the Code of Federal Regulations.)

§ 575.533 Certain new transactions.

(a) New Transactions. Except as provided in paragraph (b) of this section, on or after the effective date of this section, all transactions that are otherwise prohibited by subpart B of 31 CFR part 575 are authorized.

Note to paragraph (a): This authorization does not eliminate the need to comply with other provisions of 31 CFR chapter V or with other applicable provisions of law, including any aviation, financial, or trade requirements of agencies other than the Department of the Treasury's Office of Foreign Assets Control. Such requirements include the

International Traffic in Arms Regulations (22 CFR chapters 120-130) administered by the Department of State.

(b) Continued Blocking, Special Provisions for
Certain Exports and Reexports, and Additional Conditions.

(1) All property and interests in property that were blocked pursuant to subpart B of 31 CFR part 575 as of the effective date of this section remain blocked and subject to the prohibitions and requirements of 31 CFR part 575.

(2) The exportation from the United States or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any goods or technology (including technical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq must be separately authorized by or pursuant to 31 CFR part 575.

Note to paragraph (b) (2): The term "controlled by the Department of Commerce" means subject to a license requirement under the Department of Commerce's Export Administration Regulations (EAR). Items subject to a

license requirement under the EAR include items on the Commerce Control List that are listed in section 746.3 of the EAR as requiring a license for exportation or reexportation to Iraq, as well as items and activities that require a license under the end-use and end-user provisions of part 744 of the EAR. To inquire whether particular goods or technology are controlled by the Department of Commerce under the Export Administration Regulations for exportation to Iraq, the exporter or reexporter should contact the Department of Commerce, Bureau of Industry and Security.

(3) This section does not authorize any transactions with (i) persons or organizations determined by the Director of the Office of Foreign Assets Control to be included within 31 CFR § 575.306, (ii) persons on the Defense Department's 55-person Watch List, or (iii) persons identified by the 661 Committee pursuant to paragraphs 19 and 23 of United Nations Security Council Resolution 1483, adopted May 22, 2003.

Note to paragraph (b) (3): Persons determined by the Director of the Office of Foreign Assets Control to be included within 31 CFR § 575.306 are also known as specially-designated nationals ("SDNs") of the Government of Iraq. These persons are included in Appendix A to 31 CFR chapter V, and an up-to-date list is maintained on the Office of Foreign Assets Control's website at <http://www.treas.gov/ofac>.

(4) This section does not authorize any transactions with respect to Iraqi cultural property or other items of archaeological, historical, cultural, rare scientific, and religious importance illegally removed from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990. Any trade in or transfer of such items, including items with respect to which reasonable suspicion exists that they have been illegally removed, remains prohibited by subpart B of 31 CFR part 575.

Iraqi Sanctions Regulations
General License
§ 575.533

(c) Effective Date. This section is effective May
23, 2003.

Issued by direction and on behalf of the Secretary of the
Treasury:

OFFICE OF FOREIGN ASSETS CONTROL

By _____

R. Richard Newcomb

Director